



Feed the Future Country Fact Sheet

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Feed the Future Supports Businesses to Boost Agriculture in Cambodia



HARVEST

In Cambodia, better access to financing is giving smallholder farmers and business owners more opportunities to increase their incomes.

Ly Touch, an agricultural input supplier in Cambodia's Battambang province, has seen her business boom over the past two years, increasing her sales by 70 percent and growing her customer base as her services have expanded to include advising farmers on safe pesticide use. Meanwhile, in the neighboring province of Pursat, input supplier Nup Nouv has grown his inventory by over 50 percent to respond to customer demand, which he can better meet now that he is connected to large distributors in the region and has improved his inventory management skills.

Touch and Nouv are both reaping the benefits of the market connections and training they received as part of Feed the Future's work in Cambodia to build the capacity of local businesses to support the country's growing agriculture sector. Input suppliers – who sell things like seeds, farming tools, and fertilizers – are vital in the process of getting crops from farms to markets to tables, providing smallholder farmers with the means to grow enough food to feed their families and generate income.

But in Cambodia, many rural inhabitants – who comprise over 80 percent of the population – lack access to technical services, modern technologies, and affordable working capital, all of which are critical to a thriving agriculture sector. Most input suppliers inherit their businesses from their families and operate informally, lacking the business management skills and technical expertise to expand the products and services that can support farmers in their communities.

That's why Feed the Future is training rural Cambodian input dealers in basic business operation and agricultural production skills, empowering them to become not only better entrepreneurs, but also mentors and technical advisers in local agricultural markets. With access to hundreds of smallholder farmers who regularly buy their products, input suppliers are ideally positioned to improve local agriculture by disseminating the knowledge and skills they acquire in training. Since their advice typically leads to better crop yields and more income for farmers, the training is a win-win for rural communities as agricultural businesses grow their client base and farmers get better access to critical tools and services.

Feed the Future also trains smallholder farmers, processors and other agricultural enterprises in Cambodia to improve their chances of securing long-term, small- and medium-size loans from banks and microfinance institutions, which traditionally have been extremely conservative in their lending and require rigorous management standards. With assistance from Feed the Future, rice miller An Sina became eligible for and received a \$10,000 loan to upgrade the aging equipment in his mill. He also has purchased more rice from local farmers, which in turn has improved their cash flow and helped them expand their

own businesses.

As part of its efforts to improve food security by expanding access to finance, Feed the Future also supported USAID's [Development Credit Authority](#) to guarantee Thaneakea Phum Cambodia, a local microfinance institution, \$2.71 million for loans to farmers and small businesses. These loans are larger and have longer repayment schedules and, to date, 80 percent of the borrowers are women.

With better access to working capital, Cambodian smallholder farmers and micro and small business owners are gaining the flexibility to increase their profits over the long term. Feed the Future also trains credit officers in microfinance institutions on agricultural production so they can better understand the risks, costs and production cycles involved in their clients' work. By building understanding and trust between lenders and borrowers in the agriculture sector, Feed the Future is supporting the design of financial products that are uniquely suited to rural entrepreneurs in Cambodia.